

10-30-1970

City Club of Portland Bulletin vol. 51, no. 22 (1970-10-30)

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City Club of Portland (Portland, Or.), "City Club of Portland Bulletin vol. 51, no. 22 (1970-10-30)" (1970). *City Club of Portland*. Paper 260.

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PORTLAND
City Club
BULLETIN

Mayfair Room • Benson Hotel
Friday . . . 12:10 P.M.

PORTLAND, OREGON - Oct. 30, 1970 - Vol. 51, No. 22

Printed herein for presentation, discussion and action at the
Friday membership luncheon meeting October 30, 1970:

REPORTS

ON

**METROPOLITAN SERVICE DISTRICT
SPECIAL TAX LEVY**

(Metro District Measure No. 12)

The Committee: Ray C. Chewning, John E. Cooper, Allen D. Cover,
Philip Dean Janney, Boyd MacNaughton, Jr., Michael H. Schmeer *and*
Robert C. Shoemaker, Jr., *Chairman.*

GOVERNMENT CENTER

(Multnomah County Measure No. 13)

The Committee: Milton C. Lankton, Stanley R. Loeb, John I. Sell,
Estes Snedecor, Jr., John W. Storrs *and* Alexander N. Davidson, *Chairman.*

**CITY GOVERNMENT,
PUBLIC SAFETY INCOME TAX
CHARTER AMENDMENT**

(Municipal Measure No. 51)

The Committee: Don A. Johansen, James C. Maletis, Dave Winder *and*
Jack R. Sullivan, *Chairman.*

For the Majority

Don Chapman, Dr. Guenter Mattersdorff
For the Minority

*"To inform its members and the community in public matters and to
arouse in them a realization of the obligations of citizenship."*

PORTLAND CITY CLUB BULLETIN

Published each Friday by the

CITY CLUB OF PORTLAND

505 Woodlark Bldg. Portland, Oregon 97205

Phone 228-7231

ELLAMAE W. NAYLOR, Editor

and Executive Secretary

MORRIS S. ISSEKS, Archivist

Second Class Postage Paid at Portland,
Oregon. Subscription rates \$6.00 per year
included in annual dues.

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in the Mayfair Room of the Benson Hotel.

REPORT
ON
**METROPOLITAN SERVICE DISTRICT
SPECIAL TAX LEVY**

(Metro District Measure No. 12)

"Shall the Metropolitan Service District of Multnomah, Washington and Clackamas Counties levy taxes serially outside the limitation imposed by Section 11, Article XI, Oregon Constitution, over a two-year period in the total amount of \$624,000, \$312,000 per fiscal year, to provide funds for the administration, operation and planning of district programs and functions for the fiscal year beginning July 1, 1971, with the two-year levy ending on June 30, 1973?"

The maximum rate of levy, stated in dollars and cents per thousand dollars of true cash value of taxable property deemed necessary to raise the amount of \$312,000 per fiscal year is 5 cents (.105)."

To the Board of Governors,
The City Club of Portland:

I. INTRODUCTION

This Committee was appointed in September, 1969 to study and report on the proposal to establish the Metropolitan Service District and to study and report on funding measures for the District should it be established. In the spring of this year, this Committee recommended a "Yes" vote to establish the District. The District was established by the voters in May, 1970. In September, 1970, Measure No. 12 was placed on the General Election ballot by the governing body of the newly formed Metropolitan Service District. Your Committee was asked to investigate that measure and make its recommendation to the Club concerning it.

In its current investigation, the Committee and representatives of the Committee interviewed Elden Hout, Washington County Commissioner and chairman of the Metropolitan Service District; David Eccles, Multnomah County Commissioner and the representative of that County to the District; Lloyd E. Anderson, Portland City Commissioner and the City's representative to the District; and Melvin A. Schoppert, business agent for Transit Union Local 757. The Committee also attended a meeting of proponents of the measure.

II. BACKGROUND

The Metropolitan Service District was established at the May, 1970 primary election by those voters of Multnomah, Washington and Clackamas counties who reside within the District. The May ballot measure included no funding but established boundaries for the District and made possible the appointment and action of the governing body of the District. In the intervening months, the District has been organized with a board of seven commissioners representing, respectively, Clackamas, Multnomah and Washington counties, the City of Portland, and the cities of each of the three counties, exclusive of Portland. During this period of time the District has availed itself of the staff services of the Columbia Region Association of Governments (CRAG) which sits with most of the same board members. Attached as Exhibit A to this report is a map of the District.

The District is empowered to provide metropolitan aspects of the following:

1. Interceptor trunk and out-fall sewers, pumping stations and facilities for treatment or disposal of sewage. The District also may engage in local aspects of sewerage upon agreement with local governmental bodies.
2. Disposal facilities for solid and liquid waste. By agreement with local governmental bodies, the District may also collect and transport such wastes.
3. Control of surface water.
4. Public transportation and terminal facilities, if the District chooses to assume this function from the Metropolitan Transit Authority (Tri-Met).

Additional metropolitan functions may be authorized by District voters.

The District may collect service fees and user charges in payment for its services. It may sell general obligation and revenue bonds. The only tax it may levy is a property tax not to exceed one half of one percent of the true cash value of all taxable property within the District. All tax measures must be voted on by voters in the District. In addition, if the District takes over the functions of Tri-Met, the enabling act provides that it will have the powers of Tri-Met which are consistent with the Metropolitan Service District Act. Whether this power would include Tri-Met's broad taxing powers for use in transit functions is an unresolved question which will probably be decided in court if the need arises.

In order to provide funds to plan for services to be provided, and to pay for administrative salaries, office overhead, legal services and auditing functions during the next few years, the District board in September unanimously determined to place before the voters a two-year serial tax levy. This will not establish a tax base for the District but will provide funds for the above, plus other needs of the District as may arise during this period. The Committee assumes that in 1972, a tax base proposal will be presented to the voters. The serial tax levy of 5 cents per \$1,000 of true cash value of taxable property would amount to \$1.00 per year for a \$20,000 home. The total amount to be raised by this levy would be \$624,000 (\$312,000 per year), although the District is not required to tax to the full extent of its authority. This Committee has been advised by Commissioners Eccles and Hout that if in the second year it is determined that the full amount of its taxing power is not required, a lesser tax will be assessed. If approved, taxes could not be collected before November, 1971. However, state monies may become available in January, 1971 and bank loans in July, 1971 in anticipation of District tax collections in November of that year. Although the District has prepared a tentative budget for the use of funds to be raised by the levy, the District is not required to observe items in that budget. The levy, if passed, will produce funds not allocated to any specific purpose.

III. ARGUMENTS IN FAVOR OF THE MEASURE

Those who favor the measure maintain:

1. The voters in the District voted to establish the District in May. If the District is to accomplish any of its purposes, it is necessary that it finance itself.
2. Prior to establishing a tax base and levying taxes to fund the services and the acquisition of capital assets, it is necessary that the District organize itself and explore in depth and detail exactly what it will propose to do.
3. To some extent the tax revenues will be seed money for federal matching funds available for planning projects.
4. The amount sought is minimal and will have little impact upon any taxpayer in the District.
5. Since the District's taxing power is limited to ad valorem taxation and there is no basis for an assessment of service charges to finance planning, no means of financing the District in the planning stage—other than a property tax—is available.

IV. ARGUMENTS IN OPPOSITION TO THE MEASURE

Those who oppose the measure maintain:

1. The property tax is over-used. District financing should wait until the Legislature allows it other financing options.
2. There are other problems which should have priority over this measure.
3. The District should be opposed as a tool of employers who are seeking to take over Tri-Met and do away with its payroll tax. Opposition should begin with defeat of the serial tax levy.

V. DISCUSSION

If the service district is desirable at all, as the voters and the City Club concluded it was in the spring of this year, it follows that it must be adequately funded. It seems logical and sensible to raise a minimal amount of money in order to make necessary studies to determine what projects the District should engage in and to estimate the costs of these projects and the manner of financing them. Your Committee explored at some depth with the Chairman of the District and the Multnomah County representative the intended use of the monies to be raised. Although a precise budget is not available for this purpose, it does appear to your Committee that the funds sought are not unreasonable in amount, yet should be sufficient to do the job intended. It should be explained that it would be difficult if not impossible to accurately budget the cost of long-range planning. The planning process is such that a planning firm, once retained, is paid on the basis of hours expended at a given rate. No bid is submitted by a planning firm in order to be awarded a planning contract. Rather, selection is made by negotiation on the basis of a proposal for planning.

The tentative budget for the District breaks down as follows over the two-year period of the proposed levy:

Consultants	\$300,000
(Financial—\$50,000-\$75,000)	
(Engineering—\$225,000-\$250,000)	
Staff and overhead	90,000
Contingencies	15,000
Total	<u>\$405,000</u>

The studies to be financed by the tax levy were described to the Committee as follows:

(1) A long-range financial study. This will include a study of the financial ramifications of an assumption of powers and facilities by the District from other governmental entities, including consideration of facilities to be acquired and the amounts to be paid and the manner of payment for such facilities.

(2) A study of solid waste problems, sites, procedures for disposal, incineration and costs and comparisons of various methods of treating solid waste. This is perhaps the most pressing problem facing the District, since solid waste disposal is rapidly reaching the limits of the facilities presently provided.

(3) An updating of existing sewerage studies. A recent Washington County study can be utilized to a great extent and to some extent a tri-county sewerage plan developed in 1958 will be useful. However, a substantial updating of these studies will be required.

(4) New and updated studies of the methods of dealing with surface drainage problems, particularly in the areas of Johnson Creek, Kellogg Creek and the Molalla River.

(5) A study concerning the financial and other ramifications of an assumption by the District of Tri-Met's facilities and responsibilities.

The only organized opposition which has come to your Committee's attention is the opposition of Transit Employees Local 757. The sole basis for this opposition is the belief that the District proposes to take over Tri-Met and do away with the employers payroll tax in favor of a property tax. If justified, these fears should be a matter of concern to the public and cause for citizen pressure on the governing body of the District. These fears should not be a basis for defeating the proposed tax, however. It is not the announced purpose of the proposed tax levy to finance the assumption of Tri-Met's functions, but to study *all* of the District's powers, responsibilities and alternatives. To defeat the serial levy in order to accomplish a narrow and unrelated political purpose would serve to frustrate the intent of the electorate in establishing the District last May.

VI. CONCLUSION AND RECOMMENDATION

Your Committee concludes that the proposed tax levy is logical in concept and reasonable in amount. Your Committee unanimously recommends that the City Club go on record as being in favor of the serial tax levy of the Metropolitan Service District and urges a "Yes" vote on Metropolitan Service District Measure No. 12.

Respectfully submitted,

Ray C. Chewning

John E. Cooper

Allen D. Cover

Philip Dean Janney

Boyd MacNaughton, Jr.

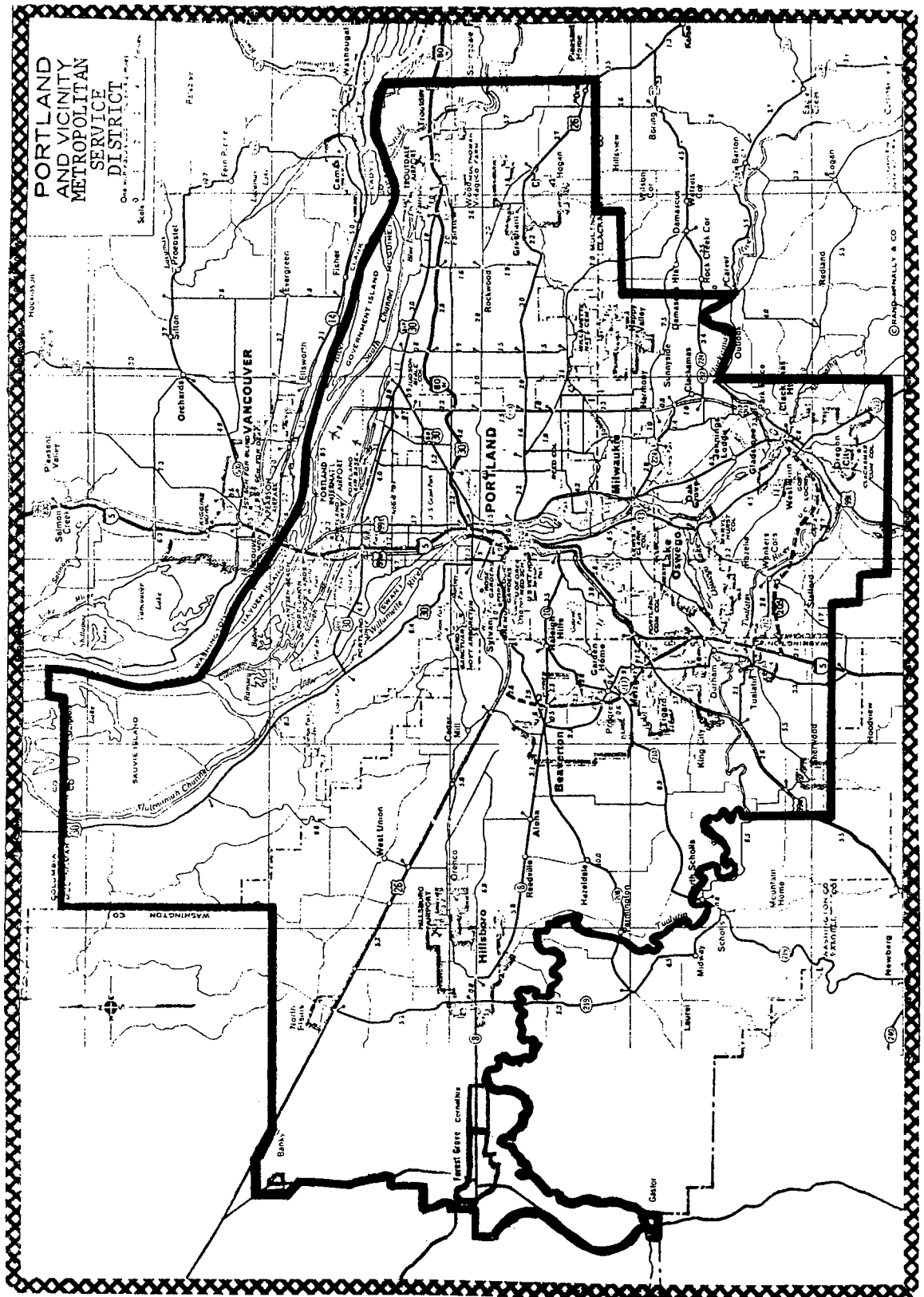
Michael H. Schmeer *and*

Robert C. Shoemaker, Jr., *Chairman*

Approved by the Research Board October 22, 1970 for transmittal to the Board of Governors.

Received by the Board of Governors October 23, 1970 and ordered published to the membership for consideration and action.

EXHIBIT A



REPORT
ON
GOVERNMENT CENTER
(Multnomah County Measure No. 13)

Purpose: Shall Multnomah County, Oregon, issue and sell \$5,500,000 in general obligation bonds to finance cost of acquiring lands in the government Center in the City of Portland upon which to construct additions to the Multnomah County Courthouse including public safety and courts buildings?

To the Board of Governors,
The City Club of Portland:

I. INTRODUCTION

Your Committee was formed to study and report on Multnomah County Measure No. 13 which will come before the voters at the general election on November 3, 1970. The measure appears on the ballot by virtue of an order of the Board of County Commissioners, Multnomah County, dated September 3, 1970:

ORDERED that there be submitted to the legal voters of Multnomah County, Oregon, at the General Election of November 3, 1970, the question as to whether Multnomah County shall issue and sell general obligation bonds of Multnomah County in the amount of \$5,500,000 to finance the cost of acquiring land as a site for the construction of buildings and related facilities required by the expansion of the Multnomah County Courthouse which said bonds shall mature within twenty (20) years from date of issue and shall bear a rate of interest not to exceed six percent (6%) per annum; . . .

In particular, your Committee was charged with an extension of the work of a prior City Club Committee which industriously studied the same question two years ago.

II. SCOPE OF RESEARCH

Your Committee has examined the following documents:

Resolution, Board of County Commissioners for Multnomah County (September 3, 1970 and September 10, 1970).

Fact Sheet on Ballot Measure No. 13, City-County Civic Center Committee, 1973 N.W. Lovejoy Street, Portland.

Appropriate Oregon Statutes.

Government Center Report, *Portland City Club Bulletin*, October 25, 1968.

Note: With the exception of the principal amount of bond authorization, this ballot measure is essentially the same as the Multnomah County Measure No. 8 put to the voters in the November, 1968 election. Then, the authorization requested was for \$4,000,000; now, the amount has been increased to \$5,500,000. The 1968 measure was thoroughly studied by a City Club Committee. and was reported in the *Portland City Club Bulletin* of October 25, 1968.

Because the purpose and rationale of the present measure is so similar to that of the former measure, this Committee's function, in the main, was to determine the differences, if any, which existed between the two situations, and to report upon them. Therefore, since much of the prior Committee's work supports this report, that work is incorporated herein by reference.

Your Committee has interviewed the following persons:

David Eccles, Commissioner, Multnomah County

Robert Frasca, Architect, Wolfe, Zimmer, Gunsul, Frasca & Ritter, consultants for the 1968 City-County Government Center Plan

Harold E. Johnson, Public Works Coordinator, City of Portland

Gilbert J. Gutjahr, Fiscal Analyst, Multnomah County Tax Supervising and Conservation Commission

Edward H. Look, Chairman, City-County Civic Center Committee, Portland

Howard Rankin, attorney, Portland, bond attorney

Willis West, Chief Civil Deputy District Attorney, Multnomah County

III. BACKGROUND OF THE BALLOT MEASURE

This is the second attempt to gain voter approval of a bond measure to finance the acquisition of land in the "Government Center" area of Portland. The 1968 attempt failed by the narrow margin of 3,900 votes, something less than 2.0 percent of the votes cast.

The land to be acquired is the same now as it was then—the four city blocks bounded by Southwest Salmon and Madison Streets, and by Southwest First and Third Avenues (See Appendix A). The reasons given for the choice of location remain the same: (1) the site is close to the long-established center of government of both the City of Portland and Multnomah County; (2) it will comport with a Government Center theme which has been enhanced by the intended construction of a Federal office building, and the addition of a new block-square park. It does not appear that much consideration was given to sites elsewhere in Portland or in the county outside of Portland. In addition to the other reasons given, this concentration on the Government Center site may be due to the technical, legal requirement that the structures proposed for the selected site have to be described in the title of the ballot measure as "additions" to the present Courthouse.

The acquisition of the land is the first step of a larger plan which envisions the construction of a new Courts Building, a new Public Safety Building (police department and jail), and a parking garage. The present Multnomah County Courthouse would remain as an office building housing the County Commission and the City Hall may be given the character of a Capitol building, (a meeting place for the elected legislative and administrative officers). There is no announced timetable for the financing and construction of buildings in the Government Center, probably because the matter becomes academic if this ballot measure fails. Neither is there an announced alternative to the projected Government Center although some consideration has been given to construction of a high-rise building on the block between the City Hall and the Courthouse.

Several studies of a Government Center were made by consultants engaged prior to the 1968 bond measure. These studies are still germane although they now appear to have force more as a general design and less as a detailed plan. No new studies of a similar type have been made since.

Underlying the idea of a Government Center is the eventual consolidation of the City and County governments. If the consolidation is delayed or does not occur, it is still expected that the buildings would be used jointly and cooperatively with the City as the County's tenant. This cooperation is already evident in the joint meetings of the County Commission and the City Council held to discuss the proposed Center; when meeting together, the two bodies form the City-County Coordinating Committee (for the Government Center).

Ballot Measure No. 13 was proposed on September 3, 1970. The previous Committee believed that the benefits of a Government Center, taken as a whole, should have been given more publicity. This Committee agrees that the whole project and the reasons therefor—the site, the buildings, the sums involved, the consolidation of governments, and so on—deserve more public notice than has been given to it. However, this Committee's assignment is with the land acquisition measure, and it is to that measure that the Committee draws the City Club's attention.

IV. DISCUSSION

1. Financial Considerations.

The four block area is assessed for real property tax purposes at a value of slightly more than \$2,000,000. Private appraisers have suggested that a more realistic figure for the land itself (after the existing buildings have been removed) would be approximately \$4,000,000. They have suggested that the property is appraised for tax purposes at the lower level because of the present condition of the buildings now located on the proposed site. Currently, the four blocks are returning, in total, \$59,900 in tax revenues. If the land is acquired, the County can, prior to demolition and construction, continue to operate the properties commercially with both a rental and a tax return. In the event that the land is acquired but not used for a Government Center, it has been suggested that the County could sell the land for not less than the acquisition costs.

The annual cost to the taxpayer of a \$5,500,000 bond issue with uniform maturity, 20-year term, and a net 6 percent would be 13 cents per \$1,000 of assessed value. This is based on the July 1, 1970 total county assessed valuation of \$4,600,000,000. If the bonds were issued with a 15-year term, the cost would be 15 cents per \$1,000 of assessed valuation. The County's total bonding capacity is \$86,000,000. Since the outstanding debt of the County is, at present, around \$3,300,000 the flotation of the proposed issue does not pose a financing problem.

The \$5,500,000 is divided into \$5,000,000 for land acquisition and \$500,000 for design studies. The division is approximate and tentative. Recent land acquisition in the area support the \$4,000,000 total appraisal at the rate of \$1,000,000 per block. No one consulted offered a specific basis for the \$5,000,000 figure except to suggest strongly that, in view of increasing land values, the \$4,000,000 figure is probably a minimum. It should be understood that the County does not have to issue or use the whole \$5,500,000 if the acquisition costs are less than anticipated.

2. Legal Considerations.

The ballot title and substance of the promulgating orders are substantially the same as the 1968 measure. The purpose remains the same. The relevant general statutes were not changed in the 1969 biennial session of the Legislature.

Although there is a possibility of challenge to the procedure used by the County, the possibility is remote and would be based upon a technical reading of statutes pertaining to selections of sites for new court houses. The County's legal advisors are of the opinion that the public interest in acquiring the property in this manner, authorized by the general statutes, outweighs any possible technical legal objections. Your Committee agrees.

3. Space and Design Considerations.

This Committee can join the 1968 Committee in stating that it "heard no significant arguments for the expansion of facilities in any other location in the metropolitan area." However, the present Committee was given cogent arguments in favor of the selected location. These arguments did not preclude local or branch government offices from being established elsewhere in the County in the future. It was suggested that these offices could well await the formation of a larger regional government.

Of necessity, comments on space and design go beyond the acquisition of four blocks of land. Your Committee heard arguments that the proposed structures will create a Government Center with an imposing physical presence and with great visual impact. There will result an impressive array of government buildings stretching to the Willamette River with environmental relief provided by the present and new park blocks. It was further suggested that a Government Center will coalesce this area of Portland, and would promote renewal and growth to the north and to the west.

Your Committee was also informed of more tangible expectations in that a Government Center would speed the improvement of the several blocks to the north and to the northwest, and that the Center would provide a link between the recently improved areas to the south with the expected-to-be-improved areas to the north.

4. The 1968 City Club Committee Report.

The 1968 Committee offered majority and minority reports and recommendations. The majority urged a "No" vote. In its view, there should have been "more careful planning" of the whole project, there should have been "a fuller public disclosure and discussion," and there should have been "a more serious examination of serious legal questions."

The minority (of one) was not impressed. It can be inferred that the minority considered the majority's reasons to be formalistic and legalistic. The minority offered the opinion that the site "was not only the best but perhaps the *only* site which can be reasonably acquired," and recommended a "Yes" vote. The City Club is reminded that it adopted the minority recommendation.

V. ARGUMENTS FOR AND AGAINST THE MEASURE

A. *Arguments advanced in favor of Measure No. 13:*

1. Present facilities for city-county government, including jails and courts, are inadequate and inefficient and are in need of expansion and modernization.
2. The proposed expansion should be initiated by acquisition of land for these facilities to "freeze" land costs at current market values.
3. The land to be acquired is in the area of the present City Hall and County Courthouse.
4. The land to be acquired is in an area where urban renewal is needed.
5. The Government Center is an important initial step toward city-county consolidation.
6. The County has the bonding capacity to issue the bonds. In addition, the County has adequate capacity for subsequent bond issues necessary to complete the Government Center.

B. *Arguments advanced in opposition to Measure No. 13:*

1. The public has not had the opportunity to express its views regarding such a comprehensive plan. If the remainder of the project is turned down in future elections, the County is merely speculating in land.
2. The City and County jointly own one block located between the County Courthouse and City Hall, on which site a highrise facility could be erected.
3. The area will renew itself without development as a City-County Center.
4. Other suitable sites may exist and should be considered.
5. In the proposed Center, the City would not be paying its fair share of land and building costs, shifting a disproportionate burden to County residents.

VI. CONCLUSIONS

Your Committee understands that its recommendation, whether "Yes" or "No," can also be considered a tacit recommendation for or against the entire Government Center project, land, buildings, and all. Since the total cost will be in the neighborhood of \$40,000,000, the bearing of one recommendation upon the other has not been overlooked by the Committee. The Committee has, however, endeavored to keep the land acquisition question as distinct as possible from the remainder of the project. It has done so by keeping in mind that the purchase of the land is not an irreversible decision. The land purchase is a necessary first step but, as noted, the land could be re-sold or used for other purposes. Your Committee asks the City Club to acknowledge the distinction, and to consider only the merits or demerits of the \$5,500,000 bond issue.

Your Committee is of the opinion that the need for new government facilities has been demonstrated, that these facilities will serve a valuable purpose under either joint government or consolidated government, that the site is very suitable for the purpose intended from both the points of view of efficiency and historical government location and that the financing desired is reasonable in amount to accomplish the intended purpose and that the purpose is valid.

VII. RECOMMENDATION

Your Committee therefore recommends that the City Club of Portland go on record as favoring the acquisition of land for city-county courthouse development, and urges a vote of "Yes" on Multnomah County Ballot Measure No. 13.

Respectfully submitted.

Milton C. Lankton

Stanley R. Loeb

John I. Sell

Estes Snedecor, Jr.

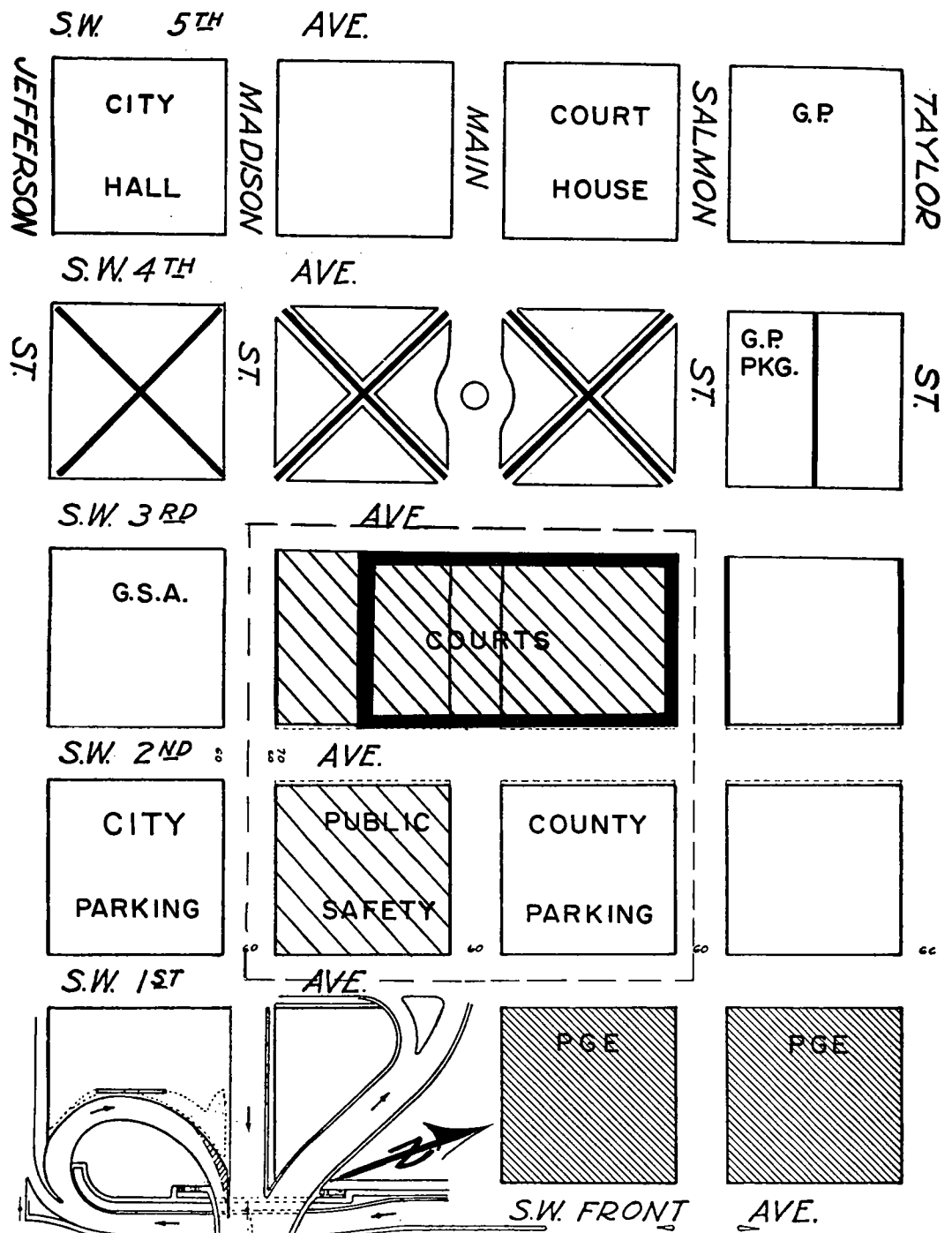
John W. Storrs, *and*

Alexander N. Davidson, *Chairman*

Approved by the Research Board October 22, 1970 for transmittal to the Board of Governors.

Received by the Board of Governors October 26, 1970 and ordered published to the membership for consideration and action.

EXHIBIT A



**REPORT
ON
CITY GOVERNMENT,
PUBLIC SAFETY INCOME TAX
CHARTER AMENDMENT**

(Municipal Measure No. 51)

Purpose: Charter amendment allowing city income tax not exceeding one percent on taxable income of residents, and taxable income of non-residents and corporations earned or derived within Portland; earmarking one quarter of proceeds for capital expenditures, balance for police and fire protection, public safety and governmental purposes.

To The Board of Governors:
The City Club of Portland:

I. INTRODUCTION

On November 3, 1970, residents of the City of Portland will vote on Municipal Measure No. 51 which will appear on the ballot as shown above. Your Committee was appointed to study and submit its recommendation to support or to oppose the Charter Amendment as presented. This measure would be enabling with actual ordinances to be prescribed and adopted by action of the City Council. This Committee was informed that, if Measure 51 is passed by the voters, the City Council would adopt a tax rate of approximately $\frac{3}{4}$ of one percent on all taxable income, except that of corporations, beginning January 1, 1971. At the proposed rate, this measure would provide approximately \$7.8 million of revenue each year.

II. SCOPE OF RESEARCH AND BIBLIOGRAPHY

The following people were interviewed either by the entire Committee or by representatives of the Committee:

Lloyd E. Anderson, Commissioner, City of Portland
George Annala, Manager, Oregon Tax Research
Doug Baker, Candidate for City Council
Elmer F. (Brick) Bennett, Machinists Union, Multnomah County Labor Council
David Dockham, Assistant to Mayor Schrunk, City of Portland
Neil Goldschmidt, Candidate for City Council
Robert Johnson, Personnel Officer, City of Portland
Connie McCready, Commissioner, City of Portland
Richard Munn, Department of Revenue, State of Oregon
Terry D. Schrunk, Mayor, City of Portland
Samuel B. Stewart, Legal Counsel, Union Pacific Railroad and member, Multnomah County Tax Supervising and Conservation Committee
Ron Usher, Fireman's Union
Tom Walsh, Candidate for City Council
Larry Wolfard, Portland Citizens Committee

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- Tax Structure in Cities Using the Income Tax* by Elizabeth Derran.
- The Suburban Impact of Earnings Tax Policies* by G. Ross Stephens, September 1969 Tax Journal.
- Public Affairs Report on Local Income Taxes as an Alternative to Higher Property Taxes* by R. Stafford Smith.
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- Governmental Cost Burdens and Service Benefits in the Twin Cities Metropolitan Area* by James Banovetz.
- Suburban—Central Cities Exploitation Thesis, One City's Tale* by William B. Neenan.
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III. BACKGROUND

On August 19, 1970, the Portland City Council passed Resolution No. 30792 (see proposed charter amendment, Exhibit A.), which if passed by the voters of the City of Portland, would authorize the City Council to impose a City Income Tax of up to one percent upon the net taxable income as defined by the State of Oregon. The tax would be applicable to residents of the City of Portland and that portion of the taxable income earned within the City of Portland by non-residents.

Although the City Council would be authorized to impose the tax on corporate income earned or derived in Portland, this Committee understands that initially the tax would be imposed only upon individuals. The major reason for this decision is that most businesses now pay an income tax of approximately 2.4 percent for their City of Portland business license.

As a result of labor negotiations with employees of the City, the City Council has a commitment to submit a revenue measure to the voters in an effort to raise additional funds for salary increases. Contracts and supplemental agreements with the police and fire fighters required that the City of Portland grant a pay increase as of July 1, 1970, with an additional increase retroactive to July 1, 1970, contingent upon passage of a revenue measure to be submitted to the voters before December 31, 1970. This same agreement was implicit

in the labor agreement between the City of Portland and the District Council of Trade Unions. It was further understood that had the City not submitted a revenue measure to the voters the contingent portion of the wage and salary increases would have become effective.

If Ballot Measure No. 51 is passed, the City of Portland intends to contract with the Department of Revenue of the State of Oregon for the collection and enforcement of the city income tax. Agreements of this type were authorized by the Oregon Legislature in 1967 (ORS 305.625). Preliminary estimates of administrative expense for the first year, including initial set-up charges, range from \$300,000 to \$400,000. Based on an estimated revenue of \$7,800,000, this represents a collection expense varying between 3.8 percent and 5.1 percent. The contract with the Department of Revenue will provide, however, that the City pay to the State of Oregon only the actual expenses incurred in collecting and enforcing the tax. It is estimated that for the second and succeeding years the expense will decrease. A tentative estimate for the second year is \$250,000.

The Committee was unable to identify any organized campaigns in opposition to the measure nor did it identify any organized citizens' campaign supporting the measure.

IV. ARGUMENTS IN FAVOR OF AND OPPOSED TO THE MEASURE

A. Arguments in Favor:

1. It immediately provides the funds needed to finance the inevitable expansion of demands placed on the City and to upgrade the City's services.
2. It provides the City with a more reliable source than do periodic elections for special services such as street lighting levies, fire fighting equipment fund levies, etc.
3. It permits suburban neighbors who work in the City to help pay for the City services which they use.
4. More effectively than either property tax or sales tax, it taxes those most able to pay.
5. It is the most economical tax to administer and to adjust to changing needs.
6. It avoids the need to reset the tax rate frequently in response to changing economic conditions.
7. It has high elasticity in the sense that it responds well to increases or decreases in general income levels in inflationary or deflationary periods.
8. Alternative taxes being discussed either have been decisively defeated in the past, or would yield insufficient revenue.
9. The tax is sufficiently broad and low so that the impact on business decisions will be minimal.
10. The prospect of governmental consolidation may be enhanced by the fact that suburbanites also pay the tax.
11. Among cities comparable in size to Portland, those which have an income tax have a lower property tax per capita and have experienced a lesser increase in property taxes in the last fifteen years.
12. It gives the City resources to execute programs under local control which may otherwise be taken over by the federal government and escape local accountability.

B. Arguments in Opposition:

1. The proponents have failed to prove the need for such a substantial increase in revenues and a new form of taxation. It is premature to authorize a City Income Tax at this time.
2. The tax would discourage businesses from locating in Portland.
3. The extra funds generated by the income tax will probably be spent on new projects and will not serve to reduce other forms of taxation.

4. Alternative methods of increasing revenues have not been sufficiently considered.
5. A metropolitan area income tax would be preferable to a city tax.
6. A tighter budget would give the new City Council more incentive to find ways to increase efficiencies in current expenditures, to complete and implement studies for comprehensive government planning, and to strive for a metropolitan form of government.
7. The collection cost of this tax, while less than for some alternative forms of taxation, would be much more than the additional cost of raising rates on existing forms of taxation.
8. The computation of the tax for non-residents would be complicated, especially if suburban communities followed suit with their own taxes.
9. Some attorneys have questioned the legality of a City Income Tax for Portland under existing State law.
10. Commuters and other non-residents would be taxed without representation.
11. Proprietors of unincorporated businesses, who already pay up to 2.4 percent of their net income, would be subject to double taxation.
12. The ballot title is inappropriate and misleading.

V. DISCUSSION

Although there are many pressures upon the City to raise revenues, evidence given the Committee indicates that this proposal has been submitted to the voters at this particular time in response to a commitment to the unions representing city employees. During recent bargaining sessions a two-part wage increase was negotiated. The first part established a firm wage scale for the period July 1, 1970 to July 1, 1971. The second part provided for a further increase contingent upon the passage of a revenue measure to be submitted to the voters not later than December 31, 1970. If the voters pass this measure, the second step of the negotiated wage increase would become effective retroactively to July 1, 1970. It has been estimated that the contingent portion of this increase would represent to the City an annual expense of \$800,000 to \$1,000,000.

The proposed City Income Tax would provide sufficient funds to meet this obligation as well as to provide for additional city services and capital expenditures. Furthermore, Measure No. 51 satisfies the City's obligation to place a revenue measure on the ballot.

Your Committee addressed itself primarily to the two general questions of (1) Is a City Income Tax a desirable form of revenue production for the City of Portland and (2) Should this revenue measure be passed on November 3, 1970? An indication of the City's plans for use of the funds is contained in Exhibits B and C.

Is a City Income Tax a desirable form of revenue production for the City of Portland?

There is much evidence supporting the use of a municipal income tax to raise revenue for needed city services. The method of taxation is quickly responsive to changing economic conditions in the community and is relatively inexpensive to administer. According to most authorities an income tax is progressive in that it is paid by those most able to pay.

City and County income taxes have been in widespread use in several other states since 1939. The technique has proved effective and responsive to community needs. Studies have shown that property taxes tend to be lower in such cities than in comparable cities which do not have an income tax. While the income tax proposed for Portland would be an additional, rather than a substitute, tax for at least the first four years, your Committee believes the income tax would eventually have the effect of reducing property taxes, or at least reducing the increases in property taxes.

Another advantage of the income tax as a method of taxation is that it greatly broadens the tax base and makes the city less dependent on a regressive property tax which does not grow as fast as the economy as a whole. Also, commuters would share in the cost of city government.

Your Committee believes that including commuters in the city tax structure is fair and proper. As explained more thoroughly in the minority report, commuters use the city services while they are in the City, and their presence requires the City to make additional expenditures. Of the \$7,800,000 the proposed tax is expected to generate, about \$2,355,000, or 30 percent, would come from commuters. This \$2,355,000 would comprise only about 4 percent of total city revenues.

Your Committee believes that a well-administered municipal income tax is an effective and desirable source of revenue. It will at some point in time probably be desirable for Portland.

Should this revenue measure be passed on November 3, 1970?

The City administration considers it imperative to provide additional revenues to meet its demand for services and capital improvements. In this connection, much has been said about the need for additional fire fighting equipment, communications system, traffic control and an orderly capital improvement program. It has been stated that the City needs at least fifty more policemen to answer a dramatically increasing number of calls for police assistance. For example, in 1968 the police received 144,000 calls for assistance. In the face of recently decreased manpower, that number is estimated to reach 184,000 in 1970. It has been further stated that the City must improve its fire fighting equipment and personnel substantially in order to maintain its highly favorable Class II fire insurance rating. This rating represents a substantial saving in fire insurance premiums to residents when compared with the lower ratings which are a definite possibility if the City does not maintain a high standard of fire fighting capability.

Exhibit B shows the City's proposed revenue and expenses for the period 1970-71 through 1974-75. Exhibit C then shows the amount of capital improvement needs for the same period, as expressed by the City administration.

Some individuals interviewed by this Committee have expressed a sincere doubt concerning the City's need for and its ability properly to use the funds which would become available as a result of adoption of the tax after passage of the measure. Furthermore, serious questions have been raised concerning the adequacy of budgetary planning. Particular reference is made to the Portland Citizens Committee which, after substantial study, has recommended certain prerequisites before any tax measure of this magnitude be adopted by the City.

There are alternative taxes which would be available and which could be assessed more easily than a City income tax. In addition, the capital improvements program could be funded by bonding, and in some cases by sales and leaseback of facilities.

As far as your Committee has been able to determine, the proposed expenditures and capital improvements needs were generated wholly within the City administration and have not yet been subject to the scrutiny of outside study groups, representatives of the neighborhoods affected, etc. For example, very few citizens including some City Council candidates were aware that the City's summary of capital improvement needs (Exhibit C) includes \$2.5 million to \$3 million (half to be funded by the Federal Government) for a water system, botanical gardens, race course development and other smaller improvements to West Delta Park. These may or may not be worthy expenditures.

City Government is one place where citizens can and ought to have more direct involvement. Major city projects should not be entered into hastily without long range planning and support of citizens. Otherwise, there is danger of premature or unpopular expenditures. One example of a recent controversial expenditure is the destruction of the Oregon Journal Building.

Nearly all the City Council candidates interviewed were displeased with the timing of this measure and wished that it was not on the ballot now. Their feeling on the measure was "reluctantly for" or "reluctantly against".

There is some concern that the measure, if passed, would discourage businesses from locating in Portland, as opposed to outside the City limits. Studies have generally shown that while taxes are a factor in business location decisions, they are usually not among the three most important factors. However, any adverse effects on Portland would be magnified by the fact that it would be the only city west of Missouri with a city income tax.

VI. MAJORITY CONCLUSIONS

Your Committee found much evidence to support the concept of a City Income Tax to balance the tax load for the City of Portland. In recognition of the many persuasive arguments, both in favor of and opposed to this tax measure, your Committee could not reach a unanimous agreement.

The Majority of your Committee believes that when a major new tax measure is proposed, its proponents must demonstrate both the desirability and the need. The proposal should follow exhaustive studies both of monetary requirements and of alternative revenue sources. The voters should be shown clearly how the money would be spent, and what the result of not passing the measure would be.

The Majority of your Committee believes that the need has not been fully demonstrated, and that it would not be prudent to approve such a major new tax until it is.

The new City Council and interested citizens' committees should complete their studies and reach agreement on how much money is needed, and for what, after considering all possible economies which can be made, and all of the alternative sources of revenue. It might be that the additional financial needs of the City do not justify the imposition of an income tax as compared with alternative revenue sources, or perhaps an income tax could be proposed with a partial offset against property taxes. A new, substantially similar income tax proposal might result, and the Majority of your Committee might be willing to support it actively at that time. In the meantime, the Majority feels that future annual revenue increases of over six percent which will be realized from existing tax sources, plus stop-gap rate increases and other interim measures which can be taken by the City Council, should avoid any major financial crises.

VII. MAJORITY RECOMMENDATION

The Majority of this Committee recommends that the City Club oppose the passage of this proposal for the City Government Public Safety Income Tax, and therefore recommends a "No" vote on Municipal Measure No. 51.

Respectfully submitted,

Don A. Johansen

James C. Maletis

Dave Winder, *and*

Jack R. Sullivan, *Chairman*

For the Majority

VIII. MINORITY DISCUSSION

A. The Financial Needs of the City

The Minority of the Committee shares many of the views of the Majority, with one significant exception: it did not think it necessary to examine the City Budget to confirm that the City needs more funds. They were willing to assume it. They expect that the demands made upon the City government will grow as Portland becomes a larger and more complex entity.

Gone are the days when most of Oregon's population lived on widely scattered farms that were relatively self-sufficient and did not rely on local zoning, fire and police protection, a community water system, sewer treatment plants, public recreation facilities, city engineers, building inspectors, pollution control, welfare agencies, and all the other trappings of an organized community. Furthermore, as we begin to supply large parts of the nation with our products and reciprocally draw more and more on "foreign" supplies to keep our local businesses going, the accelerating need for other government activities will appear. Highways, airports, port facilities, the setting of production standards, the regulation of commerce, educational and research facilities, and many other services that only the government can provide come into ever greater demand.

Thus, the rapidly increasing interdependence and urbanization of the people of this State suggest that we will require government services more and more urgently, and that the public sector will, in fact, continue to grow faster than the private sector of our economy.⁽¹⁾

Is there any harm in assuming this? The Minority thought not. It was willing to take for granted that the City needs funds, or that — if the need is not immediate — new tax resources will be necessary in the relatively near future.

For example, there is real urgency for the City to maintain its current fire rating (Class II) and to increase police protection for its citizens. With the increased sophistication of the modern city the needs and demands become greater. High rise buildings require the latest in fire equipment. The change from single dwelling living to apartment living creates problems of fire and police protection. The current unrest of dissident groups, drug addiction and other criminal acts have changed the current fire danger from one of improper wiring, smoking in bed, etc., to a fire set by an arsonist or prankster who does not follow a normal pattern which can be corrected by fire prevention. This same group is creating fear and despair among our citizens by the alarming increase in personal assaults on them. Houses are broken into in broad daylight and furniture and valuables removed, all with organized planning. The City cannot stand still. It must increase the number of police and firemen. It must raise the efficiency of its fire and police force by providing an adequate communications system. This action cannot be safely postponed while well-meaning people bicker over a total city budget review or study.

The Minority does not intend to relieve the City's administrators of the duty to practice every economy and to reduce waste and inefficiency whenever possible. The Mayor, the Commissioners, and all their associates should continue their efforts to keep the City budget to a minimum, and the Minority supports every citizens' watchdog committee that will help keep the City budget "lean." But the Minority also agrees with those who believe that the City must do more long-range planning so that it can do more than merely react to crises. The City Council must have enough resources to do this. It cannot do more long-range planning if needed funds are withheld and it is forced to justify every expenditure on an emergency basis. If the City Council is to perform at its best, it deserves to have adequate funds — as well as a continuing citizen watch to make sure that these resources are spent wisely. Keeping it on too short a leash, withholding funds on the assumption that they will otherwise be squandered, is not, in the Minority's view, good policy.

Your Minority sees merit in the current income tax proposal even if the assumption of a rising trend in city budgets is rejected. The features that recom-

⁽¹⁾Portland City Club, "Report on Sales Tax Package," May 23, 1969

mend an income tax over a property tax for new money also recommend the use of an income tax to replace the property tax whenever possible. Even if the City's budget were not to increase, there would still be merit in raising the necessary revenues by relying more on an income tax and less on the property tax. The Mayor has advocated absorbing into the City's General Fund some of the special funds that now require a special levy: the street lighting fund, the fire-fighting equipment funds, etc. The Minority believes that progress will have been made if the number of these special levies can be reduced, special elections on such programs eliminated, and the millage rate in the property tax reduced correspondingly.

Finally, there is an advantage in considering a new tax independently of the uses to which the revenues it produces would be put. "Earmarked" taxes have a long but not very illustrious history. They often lead to waste by continuing to accumulate for their special purposes when such needs are no longer pressing, thus producing expenditures that might be avoided or be made to greater advantage in another direction. While the City Income Tax as proposed is not thus earmarked, anyone who advises against it "until it is clear what, specifically, the money is needed for" makes it look like a special-purpose tax. There is a danger in this approach: the City Income Tax would be a disaster if it came to be regarded in those terms. It is an excellent general-purpose tax and a welcome addition to the City's tax structure as a matter of general principle, and should be accepted on that basis rather than because of any need for specific city expenditures.

B. The Plight of the Central City

One of the features of the proposed City Income Tax is that it will inaugurate a new source of revenue: the income of the suburban resident who derives income from working in the City. While residents of Portland proper will be taxed on their entire income, residents of suburban areas who work in Portland will be taxed only on their earnings in the City.

This feature will create certain difficulties for those people — especially professional men and women—whose clientele is in part located outside of the City. They will have to determine what part of their income is attributable to work done in the City and thus would be taxable there. The resulting problems should, however, not be insurmountable. Corporations have been doing such allocating for some time, so that—in most cases—a solution by formula will suffice. In any event, the amounts involved will not be large.

That non-residents should be taxed is an important principle to establish, for a number of reasons. First, the City furnishes a good many services to non-residents. Population statistics do not really indicate how many people are using the City's facilities; they count people, as it were, in the middle of the night, where they sleep. If the census were taken as of noon, Portland's population would prove to be a good deal larger, and that of the suburbs considerably smaller, there would be a better measure of the number of facilities and services that the City has to provide for the larger population.

In the second place, there are special reasons why the City requires financial support more than do the suburbs that surround it. One is the fact that the City harbors a disproportionate number of poor people, of minority groups, and of the aged — all of whom require more public support than do the more affluent residents of the suburbs. Another factor justifying special concern for the central city is the fact that it is losing not only residents, but industry as well, which, of course, further aggravates the plight of the poor. Because of congestion and antiquated plants, economic activity in the central city is constantly threatened with decline and with the consequent gradual erosion of the tax base. The planning, redeveloping and sprucing up that the central city must do in order to keep businesses and to attract new ones leads to additional costs that the suburbs, which mainly offer undeveloped land to prospective tenants, do not have. Finally, the City generally has to provide services for longer periods of the day than do suburban towns. In the main, only cities offer public entertainment at night. They must provide full protective forces for the periods when

people come into town to attend theatre, concerts, athletic meets and other events not offered as widely in the suburbs.

In this connection, the Minority expects that the new tax will, because it is also imposed on many residents outside of the City, strengthen ties between Portland and its neighboring communities. Regardless of the Portland city limits, residents throughout the metropolitan area will have a greater interest in each other's community problems, and a greater concern for planning, efficiency, economy, and growth in the entire region. In this way, the new tax will give the cause of city-county consolidation or metropolitan government a new impetus that would otherwise be lost.

A third reason why cities need special consideration, when it comes to making new tax sources available, is the fact that their present tax structure is particularly rigid and inflexible. Where the State of Oregon, like the Federal Government, has been able to see its tax revenues grow because of the early imposition of the graduated income tax, the City of Portland has had no such flexible tax instrument at its command. It has had to rely in the main on the property tax, with the result that the per capita burden of that tax in Portland is particularly heavy.

Too many people sit back today with the thought that "if we do nothing, the Federal Government will do it for us and it will cost us nothing." How wrong they are! A city is the direct responsibility of its citizens; *they* should be the ones to decide what should be done and how. With federal funds, the decisions and the return to the city are decided at the federal level at an added cost to the citizen. When control is at the local level, a Portland resident can voice his opinions at a public council meeting, change the council structure through the ballot box, and be a power for reform or innovation when taxes are being improperly spent. However, if crime continues at its present rate and nothing is done about it locally, the Federal Government will step into the picture, which will place more and more control in Washington, D. C., with the Portland citizen's voice becoming less and less effective. A City Income Tax will provide the power to the local people who are the best informed and the most concerned.

Portland is not a big-spending city. On a *per capita* basis, its total public expenditures are some 12 percent below those of the average major metropolitan center in the United States, and lower than in any other on the West Coast. Its total taxes are correspondingly lower, except for its property tax which, on a *per capita* basis, is right at the national average, and almost 50 percent higher than in the Seattle-Everett area.⁽²⁾

Property values in a city do not necessarily respond to economic expansion and growth, and they do not relate directly to changes in the level of income and expenditure, neither of private households or of the city government. Nor do tax bases on the property values. From this point of view, the City of Portland has not been served well by its tax system in the past. The current proposal provides an excellent opportunity to reform the city tax system before it begins to undermine the City's economy.

IX. MINORITY RECOMMENDATION

The Minority of your Committee, therefore, recommends that the City Club go on record as favoring the City Government Public Safety Income Tax proposal, and urges a vote of "Yes" on Municipal Measure No. 51.

Respectfully submitted,
Don Chapman, and
Guenter Mattersdorff, Ph.D.

For the Minority

Approved by the Research Board and the Board of Governors on October 21, 1970 and ordered published to the membership for consideration and action.

⁽²⁾Tax Foundation, *Facts and Figures of Government Finance*, 15th Biennial Edition, 1969

EXHIBIT A

Section 7-110. Income Tax.*

The Council is authorized to enact and collect an annual income tax not exceeding one percent of taxable income as defined at time of collection by Oregon law. The tax shall be applicable to the taxable income of individuals residing in the City of Portland and that portion of taxable income of individuals not residing in the city and of corporations which is earned or derived within the City of Portland. The Council may establish classifications for deductions and tax credit allowances. Not less than twenty-five percent of the proceeds of taxes hereunder shall be used for acquisition, construction or improvement of land, equipment and facilities, and the balance shall be used for police and fire protection, public safety and other governmental purposes.

*From City of Portland Resolution No. 30792 adopted by the City Council August 19, 1970.

EXHIBIT B

PROJECTED CITY EXPENSES, REVENUES & DEFICIT

General Fund

(in thousands of dollars)

	1970-71	1971-72	1972-73	1973-74	1974-75
Expenditures					
Personnel	\$37,417	\$40,329	\$42,951	\$45,742	\$48,715
Including minimum of 50 additional policemen					
Materials and Supplies	7,699	8,084	8,488	8,912	9,358
Other	1,000	1,051	1,078	1,106	1,136
Capital Improvements	209	3,702	3,702	3,702	3,702
(No comprehensive plan)					
Resulting increase in operating expenses		554	638	856	940
Equipment	382	950	988	1,027	1,068
Misc. expanded or new programs		315	334	355	378
Tax Administration	122	400	350	375	400
Total Expenditures	\$46,829	\$55,385	\$58,529	\$62,075	\$65,697
Revenues					
(Existing sources & Rates)	\$45,214	\$48,039	\$50,957	\$53,867	\$56,889
Actual	45,450				
Needed Revenue	\$ 1,615	\$ 7,346	\$ 7,572	\$ 8,208	\$ 8,708

(State Income Tax has been increased about 6.5 percent for several years.)

EXHIBIT C
SUMMARY OF CAPITAL IMPROVEMENT NEEDS
(in thousands of dollars)

Proj. No.	Project Description and Location	Cost per Year in Thousands of Dollars									
		1970-71	Fund Source	1971-72	Fund Source	1972-73	Fund Source	1973-74	Fund Source	1974-75	Fund Source
GENERAL FUND											
TOTALS											
Parks											
	Land for New Parks	----		331.0		240.0		356.0		222.5	
	Land for Completion of Parks	----		250.5		102.0		259.5		400.0	
	Park Improvements	----		277.9		832.6		1,678.5		1,160.5	
				859.4		1,174.6		2,294.0		1,783.0	
Fire											
	Equipment	16.0		257.2		99.4		269.6		124.7	
	Buildings and Land	26.0		310.9		389.4		----		167.2	
				568.1		488.8		269.6		291.9	
		42.0									
City Engineer (Stanton Yard)											
	Communications System	500.0		1,865.6		491.3		723.9		454.5	
	Civic Auditorium	----		750.0		1,000.0		246.2		246.2	
				75.0		25.0		----		----	
	Building Maintenance	75.0		130.0		121.2		16.0		60.5	
	Misc. Unclassified	----		274.4		200.0		200.0		200.0	
				4,522.5		3,500.9		3,749.7		3,036.1	
	TOTAL, GENERAL FUND	617.0									

ELECTED TO MEMBERSHIP

H. Michael Hecht, Merchandising. Vice-President, Meier & Frank Co. Sponsored by Bruce B. Samson.

Jeffrey H. Teitel, Student, Northwestern School of Law (Lewis and Clark College). Sponsored by Herbert W. Goodman, DDS.

**PROGRAM SCHEDULE
FILLED FOR REST OF 1970**

City Club Friday luncheon programs are scheduled for the remainder of the calendar year, with only some details to be completed.

On November 6th, a trio of planners will speak on "What's Going on Downtown?" They are Robert S. Baldwin, county planning director; Lloyd T. Keefe, City Planning Director, and Richard S. Ivey, planning consultant, Cornell, Howland, Hayes and Merrifield. They are all involved in the comprehensive Downtown Planning Project recently announced.

The Rev. Ira Blalock will speak on November 13th on Community Action programs.

On November 20th, Russell Johnson will report on his recent four months in eight Southeast Asian countries on "S.E. Asia 1970 — A First Hand Report". He is sponsored by the American Friends Service Committee.

The meeting for Friday, November 27, has been cancelled because of the Thanksgiving weekend.

The Annual Dinner meeting on Tuesday, December 1st will take the place of the membership meeting that week unless a major report is ready for publication and presentation on the 4th.

December 11th is held for Charles Jordan, director of Model Cities, and December 18th will be the date of the Club's traditional Christmas program. Music will be furnished by the Concordia College Choir. City Club members are invited to bring their ladies to the Christmas program as well as to the Annual Dinner.

FOUNDATION CHECKS DEDUCTIBLE

Members are reminded that all donations to "Portland City Club Foundation, Inc.", the corporation whose special funds are used for such specific research activities as the Student Internship program, are tax deductible.

**CITY CLUB INVITED
TO 1970 FORUM ON
HIGHER EDUCATION**

A special invitation is extended members of The City Club of Portland to participate in the 1970 Citizens Forum on Higher Education scheduled for November 16-17 at the Sheraton Motor Inn in Portland.

This statewide conference on higher education has resulted from the several crises confronting education today and is sponsored by Colleges for Oregon's Future.

Involved in the planning are several City Club members, as well as other representatives from business, industry, labor, the professions and other segments of the state's society.

Concerned about the future of post-high school education in Oregon, the Board members of Colleges for Oregon's Future hope to spotlight various proposals for the future direction of higher education, as well as positive planning and the steps already being taken.

Focus of the forum will be on the entire spectrum of post-high school education — public colleges and universities, community college, independent colleges and universities and private vocational schools.

National and state educational authorities are being bid to the conference, but the major involvement will be that of lay citizens.

For further information, City Club members may contact Ursel Narver, chairman of the Steering Committee of the 1970 Forum at P. O. Box 1491, Portland, Oregon 97207. Former Governor Robert D. Holmes is chairman of Colleges for Oregon's Future which was founded by the late Governor Charles Sprague.

KOIN RADIO BROADCASTS

KOIN Radio tapes each City Club luncheon program for broadcast Friday evenings at 10:15 p.m., as a public service.

**ADDRESS, PHONE CHANGES
REQUESTED FOR RECORDS**

Members are urged to keep the City Club staff posted on any changes in home or business phone or address, as well as occupation, so that the membership punch-card system can be as up to date as possible. Phone changes to 228-7231.